UNITED STATES DEPARTMENT OF AGRICULTURE
U. S. Food Distribution Administration

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MANPOWER PROBLEMS IN FOOD INDUSTRIES

Workers in all phases of food processing and distribution which are necessary to accomplish the Nation's wartime food program are urged to remain in their present jobs. Because of general misunderstanding of their importance in the war program, and because of the availability of higher wages in other trades, large numbers of food industry workers are reported to be changing jobs. This situation has become increasingly acute in the past few months.

The production, processing, and distribution of food is an integral part of the total war program, and demands on our food industries are constantly increasing. In order to clarify these misunderstandings and to prevent the possible loss of vital food supplies the following questions and answers have been compiled.

Part I - Wages

Many food processing and food distribution employers are desirous of increasing wage rates but they hesitate to ask for permission to do so because they feel that they do not understand the War Labor Board regulations and procedures. The following questions and answers attempt to explain the more important regulations and procedures:

1. Q. Do the wage stabilization regulations apply to all employers?
   A. No, only to those who employ more than eight workers. However, the regulations are applicable if any employer has more than one plant and the aggregate of his employees exceeds eight.
2. Q. What is the first step that should be taken by employers who are interested in making wage adjustments?
   A. They should request on WLB Form 1 a ruling from the nearest local office of the Wage and Hour Division, Department of Labor. That office will inform the applicant as to whether War Labor Board approval is necessary for the specific wage adjustment desired. If approval is necessary, employers should request WLB Form 10, complete it with the help of the local board, and submit it to the board for consideration.
3. Q. On what types of cases may the local Wage and Hour Division Office inform the employer that the War Labor Board approval is not needed?
   A. Principal types are cases involving wage adjustments in the rates of individual employees if they are incident to the application of the terms of an established wage agreement or to established wage rate schedules and are made as the result of (a) individual promotions or reclassifications; (b) individual merit increases within established rate ranges; (c) operation of an established plan of wage increases based upon length of service; (d) increased productivity under piece-work or incentive plans; (e) opera-

tion of an apprentice or trainee system. Nothing in the wage stabilization order is intended to affect the present operation of the Fair Labor Standards Act.

4. Q. Are applications for other types of wage adjustments considered for approval by the local Wage and Hour Division Office?
   A. No, such applications are forwarded to the appropriate Regional War Labor Board Office for consideration.
5. Q. Does the Regional War Labor Board Office approve or disapprove the application for wage adjustments?
   A. Yes, except in exceptional cases when the applications may be sent to Washington, D. C., for consideration. Regional Boards in cooperation with the Wage Stabilization Director rule on most cases involving groups of 200 employees or less, and cases where adjustments are requested under the Little Steel Formula. However, those cases in which approval of the proposed adjustment will affect a price ceiling or have unstabilizing effects or otherwise conflict with the national wage stabilization policy must be referred to Washington by the Regional Board. (Information on other details regarding applications which may be passed upon by the Regional War Labor Board, can be obtained from the Wage and Hour Office.)
6. Q. Under what circumstances has the War Labor Board authority to permit wage increases?
   A. There are two general situations in which the War Labor Board may permit wage adjustments:
      (1) The War Labor Board may permit rate increases to correct maladjustments in wages to groups of employees. This has been interpreted to mean an increase in accordance with the rise in the cost of living. The increase must not exceed 15 percent of the wages which were paid for the same work on January 1, 1941. This is commonly referred to as the Little Steel Formula.
      (2) The War Labor Board may permit wage increases to correct substandard wage conditions. Plants that pay wages less than 40¢ an hour may increase wages up to 40¢ without the approval of the War Labor Board, provided that the increase will not be used as the basis to request an increase in the price ceiling for any commodity or service. Regional Boards are now determining what shall be considered substandard wages.
7. Q. Has the War Labor Board ever had authority to approve wage adjustments for other reasons?
   A. Yes. Prior to the Executive Order of April 8, 1943, the War Labor Board could permit wage adjustments on grounds of necessity to eliminate gross inequities and inequalities and to aid in the effective prosecution of the war.
8. Q. May wage adjustments be granted for the purpose of attracting workers into the plant?
   A. No. Increasing wages for the sole purpose of drawing workers into a plant by attracting them away from some other employment would neither increase the labor supply nor aid the war effort.
9. Q. Will employers be permitted to increase their selling prices to meet increased production costs brought about by wage increases?
   A. Any wage adjustment involving an increase in the price of a product or commodity has to go through the War Labor Board

to the Office of Price Administration and to the Director of Economic Stabilization for approval. Necessity for such wage and price increases will have to be proved conclusively.

10. Q. What further effects will the President's Executive Order of April 8 have on wage policies and the procedures?

A. It is impossible at this time to ascertain all the effects that the order may have on previous wage policies. It is generally believed that more difficulty will be encountered in obtaining approval for wage increases which will necessitate increases in price ceilings. The order specifically states that there shall be no further increase in wages or salaries except such as are clearly necessary to correct substandards of living, provided, however, that such wage or salary adjustments may be granted as may be deemed necessary to compensate in accordance with the Little Steel Formula. Reasonable adjustments of wages and salaries in cases of promotions, reclassifications, merit increases, incentive wages or the like may also be authorized, previded that such adjustments do not increase appreciably the cost of production or furnish the basis either to increase prices or to resist otherwise justifiable reductions in prices.

Remember to check with your local Wage and Hour Division Office on any specific question regarding wages.

Part II - Essentiality of Food Trade Workers

There is considerable confusion among food trade workers regarding their status as "essential" workers under War Manpower Commission and Selective Service policies. The War Manpower Commission has specifically designated "Food Processing" as an essential activity and has issued bulletins calling this to the attention of Selective Service local boards and U. S. Employment Service offices. This does not give blanket deferment to employees' engaged in food processing but enables Selective Service local boards to defer "necessary men." Some occupations such as passenger elevator operators are nondeferrable in any industry.

11. Q. What types of activities, necessary to the food program, have been specifically designated as essential by the War Manpower Commission?

A. All phases of farming; food processing; production of agricultural equipment; production of materials for packing and shipping products; production of chemicals and related products, including fertilizers, insecticides, and animal and vegetable fats and oils; warehousing and storage of essential and perishable commodities; agricultural services such as hatching chicks, seed processing, repair and maintenance of farm equipment, and farm product assembly services. Also a number of transportation services which are a part of food distribution are listed as essential.

12. Q. Are all employees in an essential activity eligible for deferment?

A. No. Selective Service Regulations provide that a registrant shall be considered as a "necessary man" in an activity necessary to war production or an activity essential to the support of the war effort only when all of the following con-

ditions exist:

(1) He is, or but for seasonal or temporary interruption would be, engaged in such activity;

(2) He cannot be replaced because of a shortage of persons with his qualifications or skill in such activity; and

(3) His removal would cause a serious loss of effectiveness in such activity.

13. Q. How are food distribution workers classified with respect to "essentiality?"

A. They are generally in a middle group, not specifically classified as "essential" but neither are they listed as "nondeferrable." The War Manpower Commission has issued instructions to its Regional Directors which provide for the designation of food distribution activities as "locally needed" where labor shortages exist or are anticipated. This designation will assure recruitment and placement services, but will not in itself establish eligibility for consideration for occupational deferment from military service. Workers in this group will be considered individually for "essentiality."

14. Q. What does the phrase "considered individually for essentiality" mean?

A. Registrants in activities or occupations which are not certified as essential by the War Manpower Commission may be deferred at the discretion of local and appeal boards, provided that the occupations are not listed as nondeferrable. Local Board memorandum 115, as amended, Part VI, Section 2, states, "In order to warrant occupational classification as a 'necessary man,' a registrant must be engaged in one of those activities which have been certified by the War Manpower Commission to be and which the agencies of the Selective Service System consider to be, actually necessary to war production or essential to the support of the war effort, provided, however, in the absence of certification, the agencies of the Selective Service System will consider the necessary or essential character of such activities without the assistance of such certification." Part X, Section 3 of the same memorandum states, "The fact that the activity or occupation in which a registrant is engaged is not mentioned in any of the 'Activity and Occupation Bulletins' is likewise not conclusive and if under the general principles laid down in this memorandum a registrant would nevertheless be entitled to occupational deferment, he shall be so classified."

15. Q. What are "nondeferrable" activities?

A. "There are many physically qualified registrants employed in activities or occupations not essential to war production, agriculture, or civilian activity contributing to the maintenance of our national life. In some cases the activity is not essential. In other cases, although the activity is essential to the war effort or useful to the maintenance of our national life, the particular occupation within such activity is not essential. These activities and occupations are such that in time of war they cannot be considered as entitled to share manpower with the armed forces. For that reason, such activities and occupations may be considered as nondeferrable."

16. Q. To whom may an employer go for advice on whether an activity or occupation is considered essential?

A. He should check with his local War Manpower Commission agencies--

either his local U. S. Employment Service office or his Selective Service local board. The over-all manpower situation definitely limits the number of deferments to relatively few highly skilled individuals.

Part III - General Information

17. Q. Is there any local office which will assist employers with their recruitment problems?
    A. Yes, employers should utilize the facilities of their local U. S. Employment Service offices of the War Manpower Commission and should place orders for personnel through these offices. Such action will acquaint the local U. S. Employment Service office with the personnel problems of the employer and will provide background for making recommendations on wage increases and on Selective Service deferment cases.
18. Q. Are there any other steps which employers should take to help with recruitment, deferment, or wage problems?
    A. Employers should make an inventory of present employment, replacement needs, and future labor requirements necessary to meet production peaks. This inventory should be as detailed as possible in terms of job classifications, Selective Service status of workers, time required for replacements, possibility of replacement with female labor, etc. This employment inventory may be made on official forms which can be obtained from local War Manpower Commission offices. However, even though official forms are not used, such inventories are valuable in obtaining assistance from U. S. Employment Service offices, from Selective Service boards, and from the War Labor Board in meeting specific manpower problems.
19. Q. Is the Department of Agriculture interested in labor problems in the food industries?
    A. Yes, the Department of Agriculture is extremely interested in seeing that labor needs of food processors and distributors, as well as those of producers, are adequate to care for distributing the food needed in the total war effort. The Department of Agriculture has information and data on manpower problems which will be helpful to the food industries in formulating definite manpower programs. The Department works in close cooperation with the War Manpower Commission, War Labor Board, and other governmental agencies. County USDA War Boards also are in a position to advise on many manpower problems.

Inquiries regarding manpower problems in food processing and distribution should be directed to the Food Industries Labor Branch, Food Distribution Administration, U. S. Department of Agriculture, Washington, D. C.

Part IV - Employers' Rights and Responsibilities Under Selective Service Procedures

In order to make the rights and responsibilities of employers under Selective Service procedures more clear, information provided by Selective Service is outlined below:

A. Responsibilities of Employer

 (1) To survey personnel, analyze needs and resources, and establish

schedule of replacements.

(2) To carry through an effective replacement training program using persons not suitable for military purposes.

(3) To keep a record of the Selective Service status of employees.

(4) To request only absolutely essential occupational deferments.
  (a) Use deferment reviewing board of top officials to pass upon all requests.
  (b) Submit no request not warranting an appeal, if necessary.

(5) To follow procedure in requesting deferment.
  (a) Give full information to local board.
  (b) Act promptly within proper time limits.

(6) To notify the registrant's local board immediately upon the separation of the registrant from his employ.

B. Request for occupational deferment will be made on Affidavit -- Occupational Classification (General), Form 42, or Affidavit -- Occupational Classification (Industrial), Form 42A, using the form which is applicable. The affidavit should be carefully prepared in order to give the local board adequate information upon which to make competent judgment with regard to the registrant's occupational qualifications. It should be signed by a responsible officer of the company and forwarded to the registrant's local board. The employer may submit any additional written evidence which he may deem pertinent.

C. When an employer has filed a Form 42 or Form 42A, the local board is required to notify the employer of the registrant's classification using Classification Advice, Form 59. If the employer who has filed a Form 42 or Form 42A wishes to appeal from the classification of the local board, he must do so within 10 days after the date of mailing the notice of classification to the registrant. This date of mailing is indicated on Form 59. The appeal may be taken by filing a written notice with the local board. The notice need not be in any particular form, but must state the name of the registrant and the name and identity of the person appealing so as to show the right of appeal, or the appeal may be taken merely by signing the "Appeal to Board of Appeal" on the Selective Service Questionnaire, Form 40, at the office of the local board.

The person appealing may attach to his notice of appeal or to the Selective Service Questionnaire, Form 40, a statement specifying the respects in which he believes the local board erred, may direct attention to any information in the registrant's file which he believes the local board has failed to consider or give sufficient weight to, and may set out in full any information which was offered to the local board and which the local board failed to include in the registrant's file.

A registrant may not be inducted either during the period afforded him to take an appeal to the board of appeal, or during the time such an appeal is pending.

D. If the board of appeal denies the employer's appeal and continues the registrant in Class 1-A, 1-A-O, or 4-E, the employer may then communicate with the State Director of Selective Service of the State

in which the registrant's local board is located and request him to review the case. The State Director has the right to direct a reopening and consideration anew of the case or he may appeal to the President from the classification made by the board of appeal. The employer may appeal to the President if one or more members of the board of appeal have dissented from the classification of the registrant. The appeal must be taken within 10 days after the date of mailing of notice of classification to the registrant, as indicated on Form 59. The vote of the board of appeal is also indicated on this form. The appeal to the President is taken by filing a written notice of appeal with the local board or signing the "Appeal to the President" on the Selective Service Questionnaire, Form 40, in the same manner as appealing to the appeal board.

E. If the State Director decides to take no further action after the employer has requested him to review the case, the employer may communicate with the Director of Selective Service and request that he review the case. The Director of Selective Service, like the State Director, may direct the local board to reopen and consider the case anew or he may appeal to the President from the classification made by the board of appeal. This last step may be taken only after the previously mentioned appeal and consideration opportunities have been exhausted.

F. Each State Director has as a part of his Headquarters one or more competent officers who are assigned to occupational classification. They are available to employers at the State Headquarters for Selective Service for discussion of all problems which involve Selective Service. It is suggested that employers consult with these officers for the purpose of analyzing the occupations within the activity so that the employers can plan to meet not only the present but the future demands of the armed forces upon their manpower. In determining the effect of Selective Service upon an activity, it will be helpful to employers to determine the maximum number which they can make available to the armed forces each month and to make an analytical breakdown of their employment rolls with respect to age, sex, dependency status, and physical disqualifications, if known. It is desirable wherever possible that employers make contact with the State Directors of the State in which a substantial number of their employees are registered, and provide him with as much information as possible upon the activity and its critical occupations.

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